

Message Text

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PAGE 01 CAIRO 13781 191038Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----097963 191408Z /43

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FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 8477
INFO AMCONSUL ALEXANDRIA
AMEMBASSY DAMASCUS

C O N F I D E N T I A L CAIRO 13781

EXDIS

E.O. 11652: GDS
TAGS: EINV ETRD EG US
SUBJ: FORD PROJECT

REF: CAIRO 13490

1. OUROUSSOFF TELEPHONED EMBOFF, AUGUST 18, TO ADVISE THAT HE HAD MET PREVIOUS DAY WITH INVESTMENT BOARD DEPUTY CHAIRMAN GAMAL EL NAZER TO REVIEW STATUS OF PROJECT. IN COURSE OF DISCUSSION, EL NAZER CALLED KAISSOUNI AND ARRANGEMENTS WERE MADE FOR HIGH LEVEL GOE/FORD MEETING SEPTEMBER 10. ON EGYPTIAN SIDE, KAISSOUNI, MINECON HAMED EL SAYEH, MINPLANNING ABDEL MEQUID, MININDUSTRY SHAHIN, EL NAZER AND ADEL GAZARINE WILL ATTEND. FORD WILL BE REPRESENTED BY WILLIAMS, FREDERICKS AND OUROUSSOFF. OUROUSSOFF EXPECTS MEETING TO RESULT IN "FINAL" AGREEMENT BETWEEN GOE AND FORD, WHICH WILL PROBABLY BE SIGNALIZED BY SIGNING OF STILL ANOTHER MEMORANDUM. TECHNICIANS WILL THEN HAVE TO MEET TO IRON OUT REMAINING TECHNICAL DETAILS.

2. EL NAZER TOLD OUROUSSOFF THAT PRIOR TO SEPTEMBER 10 GOE/FORD MEETING, NEW NATIONAL INVESTMENT COUNCIL, CONFIDENTIAL

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CHAired BY PRIMIN, WILL BE CONVOKED TO DISCUSS FORD PROJECT. GOE SIDE SHOULD THEN BE ABLE COME TO SEPTEMBER MEETING WITH "FIRM AND FINAL" GOE POSITION, WHICH HOPEFULLY WILL BE ONE THAT FORD CAN ACCEPT.

3. OUROUSSOFF WAS OPTIMISTIC THAT MAJOR REMAINING DIFFERENCES BETWEEN PARTIES, ESPECIALLY QUESTION OF

CUSTOMS DIFFERENTIAL/PROTECTION, WOULD BE SATISFACTORILY RESOLVED. EL NAZER HAD TOLD HIM, "WE HAVE A NUMBER OF PROJECTS WHICH ARE SEEKING SIMILAR TERMS, AND WE WILL HAVE TO ACCEPT THE IDEA OF TARIFF PROTECTION." OUROUSSOFF RECALLED THAT MINPLANNING ABDEL MEQUID HAD ALSO TOLD FORD REPS THAT HE UNDERSTOOD NEED FOR PROTECTION.

4. OUROUSSOFF BELIEVES THAT MAJOR FACTOR IN APPARENT RECEPTIVITY OF GOE OFFICIALS TO NEED FOR CUSTOMS PROTECTION WAS CHART PREPARED BY FORD SHOWING DIFFERENCE BETWEEN PROFITABILITY OF VENTURE WITH FIFTY-FIVE PERCENT DIFFERENTIAL (A TWENTY PERCENT RETURN ON EQUITY) AND SIX MILLION DOLLAR LOSS WHICH WOULD RESULT IF DIFFERENTIAL WERE ONLY FIFTEEN PERCENT. FORD HAS ALSO PROVIDED DETAILED DOCUMENT SHOWING BASIS ON WHICH COMPANY ARRIVED AT NEED FOR FIFTY-FIVE PERCENT DIFFERENTIAL.

5. OUROUSSOFF PROVIDED ABOVE INFORMATION AS BACKGROUND FOR MY MEETING WITH PRIMIN, WHICH WILL I HOPE TAKE PLACE COMING WEEK.
EILTS

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Message Attributes

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Decaption Date: 22 May 2009
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Disposition Approved on Date:
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